

# EXHIBIT AA



## Eligibility

Page 2 of 17

7. All Star Ranking
  - 7.1. General Description
8. Recognition Programs - Home Team Award
  - 8.1. General Description
  - 8.2. Performance Criteria
  - 8.3. Travel and Eligibility Rules and Guidelines
9. SPIFFS (Special Performance Incentives For Field Sales)
10. Spot Recognition Awards
  - 10.1. General Eligibility
  - 10.2. Debit Card Awards

### 1. Introduction Back to the Top

A core mission of the PPD Sales organization is to support PPD Division goals and corporate earnings objectives. Every PPD sales representative and member of the field sales management team has a part in meeting these goals. In this context, successful territory management means that the sales representative achieves or exceeds their individual territory's goals for each promoted product.

This book outlines the Base Incentive Plan, which provides you with the opportunity to earn bonus based on various levels of your performance. You will notice that your incentive earnings increase as your levels of achievement increase.

Rules and Regulations are explained in detail, including general eligibility requirements for all of your sales incentive and recognition programs, proration schedules for new sales representatives and transferees, and eligibility rules for participation in reward and recognition programs, including SPIFF and spot awards.

Recognition Programs are presented, along with descriptions of selection criteria and awards.

You will also find a general explanation of how PPD goals and objectives serve as the basis for incentive plan design.

Understanding the incentives and awards programs available to you as a member of the PPD sales force can help you design your territory management strategies with success in mind. Your individual success contributes to the overall success of PPD and Abbott.

### 2. Quotes & Incentives Program Periods Back to the Top

#### 2.1 Base Incentive Plans Back to the Top

Payouts will be based on trimester achievement of product performance measures unless otherwise noted in your specific sales force bonus plan\*.

##### Timing:

- Trimester 1: January 1 - April 30
- Trimester 2: May 1 - August 31
- Trimester 3: September 1 - December 31

##### Data Month:

[https://www.wrdopp.com/eligibility\\_content\\_2004.aspx](https://www.wrdopp.com/eligibility_content_2004.aspx)

## Eligibility

Page 3 of 17

- Trimester 1: January 2004 - April 2004
- Trimester 2: May 2004 - August 2004
- Trimester 4: September 2004 - December 2004

\* Some sales force plans may contain a performance component(s) that is evaluated on an annual or semi-annual basis. In these cases, payouts will conform to the performance period being evaluated.

## 2.2 Recognition Programs Back to the Top

Awards will be determined based on achievement measured according to the specific program rules for participating sales forces, as follows:

### All Star Award Year:

January 1, 2004 - December 31, 2004 unless otherwise noted.

Program year is defined as official start date of:

- Trimester 1, 2004 (January 1 - April 30)
- Trimester 2, 2004 (May 1 - August 31)
- Trimester 3, 2004 (September 1 - December 31)

### Home Team Award Year:

- Trimester 1, 2004 (January 1 - April 30)
- Trimester 2, 2004 (May 1 - August 31)
- Trimester 3, 2004 (September 1 - December 31)

## 3. Eligibility Requirements - General Back to the Top

Eligibility requirements apply to all field sales bonus eligible positions including: Sales Representative, District Manager, Account Manager, Account Executive, Regional Manager, National Sales Manager and other field sales bonus eligible positions. Field sales bonus eligible positions will subsequently be referred to as the sales force in this document.

All members of the sales force must be actively employed, or on active payroll, on the payment date in order to be eligible for any bonus under the Base Incentive Plan and to participate in Recognition, SPIFF or Spot Award programs for the program period, unless otherwise noted. Active employment will be considered actual presence at work or on any approved time away from work as follows: Vacation, Holiday Credit, Disability Leave (including maternity), Funeral/Bereavement Time, Jury Duty, Military Reservist Training, and while on an approved Unpaid Family/Medical Leave of Absence. If you are on a personal leave of absence, however, your bonus is payable only after you have been back to work for three months (or a period equal to your personal leave, if less). If you are not actively employed, or on active payroll, on the payment date for any reason, as determined by PPD, you will not be eligible for and will not have earned a bonus, incentive payment and/or award under any of the above-referenced programs.

In order to be eligible for the All Star and Home Team recognition programs, SPIFF's and Spot Award programs, a Representative, District Manager, Account Executive, Region Manager or individuals in other field sales bonus eligible positions must be actively employed and in good standing, or on active payroll and in good standing, as determined by their management and Human Resources, through the last day of the program or at time of award payout or event. Individuals whose employment terminates before any bonus or award is paid and/or the All Star or special incentive trip is taken, in the following year, forfeit

all claims to any payment and/or awards for these programs.

Unless specifically noted otherwise, the sales force is eligible to participate in the Bonus, All Star and Home Team programs. Please reference the individual plan and program documents for additional details regarding specific performance and award criteria for programs that you are eligible to participate in. Further requirements for participation in the Base Incentive Plan and Recognition Programs are detailed in sections 4 and 5.

#### 4. Eligibility Requirements - Base Incentive Plans Back to the Top

##### 4.1 New Hires Back to the Top

New hires\* are eligible for bonus compensation upon successful completion of Phase 2 of sales training and product certification exams that occur during this timeframe. Individuals who transfer from another PPD sales force assignment will not be prorated for time in sales training.

\*This rule does not apply to new hires in the POS or Rental sales forces. Individuals that are new hires in the POS or Rental sales forces should each refer to their new hire eligibility policy published in the Resource Center section of the [www.wridopp.com](http://www.wridopp.com) website.

##### General Sales Training Components:

Phase 1	Home Study (2 weeks)
Phase 2	3 weeks in Chicago
Phase 3	RFT Week in the Field
Phase 4	5 weeks in the territory
Phase 5	3 weeks in Chicago

##### Examples:

Rep "A", a new hire, begins sales training class that starts on May 10 and ends on August 13:

Field Start Date completion of Phase 2 training	Territory Bonus Eligibility Start Date	Additional Sales Training	T2 Bonus Payout Eligibility	T3 Bonus Payout Eligibility
June 14	June 14	Jul 26 - Aug 13	64.23%	100.00% Sep 1 - Dec 31

Note: Trimester 2 eligibility is 64.23% reflecting 79 out of 123 days credited in territory assignment

Rep "B", a new hire, begins sales training class that starts on March 15 and ends on June 18:

New Hire Bonus Period	Territory Bonus Eligibility Start Date (Ref 4.1a below)	Additional Sales Training	T1 Bonus Payout Eligibility	T2 Bonus Payout Eligibility
April 23	May 1	Jun 7 - Jun 25	0.00% Jan 1 - Apr 30	100.00% May 1 - Aug 31

Note: Bonus Eligibility Start Date is adjusted to May 1 because the completion of Phase 2 sales training is within 15 days of the end of Trimester 1

## Eligibility

## 4.1a: New Hire Eligibility Start Date Back to the Top

The Territory Bonus Eligibility start date will be adjusted if the completion of Phase 2 sales training is within 15 calendar days of the start or end date of a performance period for bonus and recognition program purposes (i.e. trimester, semester, year). The adjusted start and end dates used for bonus program purposes will also apply to SPIFF program eligibility. Team Coordinator start and end dates; however, will not be bridged to any specific performance period.

## Example:

Rep A completes Phase 2 sales training on April 23 and remains in their sales assignment through Dec 31. Based on the Eligibility Start Date 15 calendar day rule, eligibility for territory bonus begins on May 1.

Performance Periods	Timing	Bonus Eligibility
Tr1	Jan 1 - Apr	0%
Tr2	May 1 - Aug 31	100%
Tr3	Sep 1 - Dec 31	100%

Recognition program eligibility rules may vary based on the performance criteria for each program and is outlined in the specific program pages in your World of Opportunity folder. Please refer to those sections for details. Published eligibility rules will apply to all programs unless otherwise noted.

## 4.2 Territory Transfers/Promotions Back to the Top

Individuals who transfer during a trimester from one territory/district or sales force to another will receive prorated bonus for the days worked in each assignment.

Example:  
3.

Rep A transfers during the 3rd Trimester from Territory X to Territory Y and the effective date of transfer is October 6. There are 122 days in Trimester T3 Incentive Compensation Eligibility is calculated as follows:

Territory	Actual Time in Assignment	Q4 Bonus Eligibility
X	Sep 1 - Oct 5	28.69%
Y	Oct 6 - Dec 31	71.31%

## 4.2a: Eligibility for Territory Transfers Back to the Top

Proration will be adjusted if the timing of the territory assignment transfer is within 15 days of the start or end date of a performance period for bonus and recognition program purposes (i.e. trimester, quarter, year). The adjusted start and end dates used for bonus program purposes will also apply to SPIFF program eligibility. Team Coordinator start and end dates; however, will not be bridged to any specific performance period.

**Example of Assignment Eligibility Overlap:**  
Rep A transfers during the 1st Trimester from Territory X to Territory Y and the effective date is January 14:

Territory	Actual Time in Assignment	Adjusted Q1 Bonus Eligibility
X	Jan 1 - Jan 13	0.00%
Y	Jan 14 - Mar 31	100.00%

Individuals who transfer to a new sales force and are required to attend sales training are not prorated for time out of territory.

**Example of Territory Transfer:**  
Rep B transfers from Territory X to Territory Y and the effective date of transfer is June 7. Prior to detailing the new product Rep B is required to attend Sales Training from May 19 through July 9:

Trimester 2 Incentive Compensation Eligibility is calculated as follows:

Territory	Actual Time in Assignment	Adjusted T2 Bonus Eligibility
X	May 1 - Jun 6	30.08%
Y	Jun 7 - Aug 31	69.92%

*Note: The territory Y transfer date is bridged to June 7. The representative is not prorated for sales training from May 19 through July 9.*

#### 4.2b: Bridging Incentive Eligibility for Sales Force Launch Back to the Top

Individuals who transfer to a newly created sales force prior to an official launch date will have their incentive eligibility bridged from their previous sales assignment. Bridging means that the end date in their previous sales assignment will be extended until the official launch start date of the new sales force assignment.

**Example: Bridging Eligibility for New Sales Force Assignment Z (Launch Sep 1):**

Territory	Actual Time in Assignment	T2 Bonus Eligibility
X	May 1 - Jul 16	100.00% *
Z	Jul 19 - Aug 31 in sales training	0.00%

*Note: Territory X assignment end date is bridged to August 31 for T2 bonus purposes.*

#### 4.3 Leave of Absence Back to the Top

Trimester incentives will be prorated for individuals who are on cumulative paid Leave of Absence from the company for more than six calendar weeks within

## Eligibility

## Page 7 of 17

a rolling twelve-month period. Paid Child Delivery Leave that extends beyond six calendar weeks will be evaluated on a case-by-case basis. Unpaid leave of absence will be prorated for time out of territory in the trimester(s) where it occurs.

If you are on a personal leave of absence, however, your bonus is held in escrow and is payable only after you have been back to work for three months (or a period equal to your personal leave, if less), as set out in Section 3.

#### 4.3a Military Leave Policy Back to the Top

Abbott has a corporate goal to support employees who are called to active military duty, and their families, to minimize their concerns during this period of active duty. In agreement with Abbott's Military Supplemental Pay and Benefits program, PPD has enacted the following bonus eligibility rules:

- For the first bonus period (trimester, unless otherwise noted) during which an individual is called to active duty, bonus will be paid in its entirety on the scheduled bonus payment date, provided the individual was 100% eligible up until their military leave began.
- If an individual was prorated for the bonus period in which they were called to active duty, their prorated bonus will be paid on the scheduled payment date for that bonus period.
- For succeeding bonus periods that the individual remains on active duty, they will receive either the target bonus for their territory or the weighted average of the preceding bonus periods, whichever is higher.
- New Hires that are called to active duty prior to their Field Start Date will not be eligible for sales bonus, but will receive 100% of their salary, consistent with Abbott's Military Supplemental Pay and Benefits program, while they are on military leave.

These eligibility rules are in effect in conjunction with Abbott's current Military Supplemental Pay and Benefits program, or until further notice from Abbott Corporate or PPD. If you are a reservist who is called to active duty as a result of the current crisis, please contact your Human Resources representative immediately for details about the process.

#### 4.3b Family Leave of Absence Back to the Top

An employee approved for family leave of absence will have their incentive payouts prorated for the actual amount of time spent in territory. The time spent on family leave of absence is not included as time in territory. If you are on approved family leave of absence at the time of the bonus payout, you will receive your prorated bonus payout during the normal payout process.

#### 4.3c Personal Leave of Absence Back to the Top

An employee on a personal leave of absence is prorated for time off territory. If you are on a personal leave of absence at the time of a payout, your bonus is held in escrow and is payable only after you have been back to work for three months (or a period equal to your personal leave, if less), as set out in Section 3.

#### 4.4 Rotational Assignments Back to the Top

Individuals who are on rotational assignment are eligible for prorated territory bonus earnings based on actual time worked in territory prior to beginning their rotational assignment. Payout will occur during the normal bonus processing cycle. Eligibility for bonus incentive that covers time in the rotational assignment is communicated under separate cover. Performance must have remained in good standing up to and including the payout date to receive payout. Earnings from time in the rotational assignment are not included in recognition and incentive program calculations.

## Eligibility

### Page 8 of 17

Individuals in the MDP (Management Development Program) are not eligible to earn territory bonus and are not eligible to participate in field sales incentive and recognition programs, including SPIFF programs.

#### 4.5 Retirees Back to the Top

Individuals who retire are eligible for prorated bonus earnings based on actual time worked in territory. Payout will occur during the normal bonus processing cycle. Retirees are not prorated for remaining vacation time, even if they vacate the territory prior to their final retirement date. Performance must have remained in good standing up to and including the payout date to receive payout.

Individuals who have won an incentive trip (All Star, SPIFF) but retire prior to the scheduled trip being taken are not allowed to attend the incentive trip, but are offered a trip buyout instead.

#### 4.6 Performance Back to the Top

Individuals who are on probation or unsatisfactory performance status, including but not limited to Sample Accountability probation, are not eligible to receive any incentive payout for the entire trimester(s) or performance period. While the individual is on probation or unsatisfactory performance, they are also ineligible to compete for other sales incentive, recognition programs, SPIFF and Spot Award programs including the All Star program for the calendar year and the SPIFF program(s) for the program period where the performance issue occurred.

#### 4.6a Work Suspension Back to the Top

Suspended with Pay: Under this condition, prorated incentive earnings are held in escrow until the work suspension is lifted. Incentive earnings are based on the time spent in territory. The time spent on suspension is not included as time in territory.

Suspended without Pay: Under this condition, the employee forfeits their eligibility for all incentive earnings while under supervision.

#### 4.7 Termination of Employment Back to the Top

Individuals whose employment with Abbott terminates, or who are not actively employed, or on active payroll, on the payment date for any reason, as determined by PPD, will not be eligible and will not have earned a bonus, incentive payment and/or award under any of the above referenced programs.

#### 4.8 Payout Limit Back to the Top

There are no payout limits for the sales force. However, in the event of data anomalies, Abbott reserves the right to use reasonable business judgment to modify specific components of the payout calculation.

Incentive payout is based on the performance of the product(s) promoted by your sales force and your individual performance against your published incentive plan for each product measurement. As such, payout pools may increase or decrease if Division results exceed or fall short of Division goals.

#### 4.9 Incentive Adjustments Back to the Top

In cases where an adjustment to sales and/or sales performance is requested, the request must be accompanied by appropriate documentation to justify the data investigation inquiry or sales exception. For PxD data investigations, requests must be submitted, reviewed and approved by the Sales Reporting Department before the adjustment is submitted to Incentive Operations for processing. In the case of sales adjustment requests, the requester must supply

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## Eligibility

## Page 9 of 17

appropriate external documentation to justify the exception. Appropriate external documentation consists of either a copy of actual invoices or a letter from the customer or vendor stating the actual sales that should be credited.

In cases where contests or programs are impacted by a sales adjustment, the sales adjustment must be reviewed, approved and applied prior to final program determination.

It is the responsibility of sales force personnel to review their sales performance and promptly report any discrepancies to the Sales Reporting Department.

### 5. Eligibility Requirements - Recognition Programs Back to the Top

#### 5.1 Flexible Work Arrangement Back to the Top

Individuals who are currently in an approved field sales flexible work assignment, other than a job sharing arrangement, are eligible to compete for PPD Incentive and Recognition programs (e.g., All Star, Home Team) and Spot Awards, such as Reward It! for participating sales forces. Performance in these programs is based on **prorated time in assignment**. Eligibility rules for SPIFF programs may vary and are published separately with the field promotional material for each program. Individuals must meet all standard eligibility requirements in order to remain eligible to participate in PPD's sales incentive and recognition programs, including those set out in Section 3.

#### 5.2 Job Share Arrangement Back to the Top

Individuals who are currently in a field sales job share assignment are eligible to compete for PPD Incentive and Reward and Recognition programs (e.g., All Star, Home Team and Reward It! for participating sales forces) based on the performance of their job share territory assignment. Incentive earnings, cash awards or the cash equivalent of trip incentives will be split between the job share winners based on prorated time in the job share assignment, unless otherwise noted. Proration is assumed to be 50% unless otherwise specified in the job share agreement and total territory eligibility with counterpart does not exceed 100%.

Eligible programs include:

Programs	Performance Basis	Award
All Star Gold	Territory	<ul style="list-style-type: none"> <li>Each job share winner is eligible to attend the All Star trip with guest.</li> <li>If a job share winner opts not to attend the trip, then they will receive the prorated All Star trip cash buyout.</li> <li>Each job share winner receives an All Star plaque</li> <li>Each job share winner receives an All Star ring</li> </ul>
All Star Silver	Territory	<ul style="list-style-type: none"> <li>Each job share winner receives an All Star plaque</li> <li>The All Star Silver cash award is split between the job share winners</li> </ul>
All Star Captain	Territory	<ul style="list-style-type: none"> <li>Each job share winner receives an All Star Ring and plaque</li> <li>Captain's cash award is split between the job share winners</li> </ul>
All Star Platinum (Consecutive Gold Winner)	Territory	<ul style="list-style-type: none"> <li>Cash award is split between the job share winners</li> </ul>
4X Consecutive All Star Platinum	Territory	<ul style="list-style-type: none"> <li>Each job share winner receives the luxury car upgrade</li> </ul>

## Eligibility

Home Team Award	Territory	<ul style="list-style-type: none"> <li>Each job share winner is eligible to attend an earned Home Team trip with one guest. Refer to Section 8 for additional details regarding Home Team program requirements.</li> </ul>
Spot Awards	Individual	<ul style="list-style-type: none"> <li>Each individual in a job share assignment is eligible for spot awards, as determined by their manager</li> </ul>
Base Sales Bonus Program	Territory	<ul style="list-style-type: none"> <li>Job shares receive prorated bonus for time worked in the territory. Impact goal bonus, if applicable, is determined by the DM (RM) based on individual contribution</li> </ul>
SPIFFs (as applicable)	As determined by the program	<ul style="list-style-type: none"> <li>Each job share winner splits the cash award</li> <li>If the award is a trip, each job share winner is eligible to attend with one guest</li> <li>If a job share winner opts not to attend the trip, then the published SPIFF rules will apply (i.e. they will forfeit)</li> </ul>

Individuals must meet all standard eligibility requirements as set out in Section 3 in order to remain eligible to participate in PPD's sales incentive, SPIFF, Spot Award and recognition programs.

### 5.3 All Star Back to the Top

The following special rules apply:

Individuals are eligible for the All Star Program, if

- they are actively employed as a Representative, District Manager, Managed Care Specialist, Account Executive, Institutional Sales Manager, National Sales Manager or Regional Manager during the period covered by the program
- they transferred-at the Company's request-to a different territory during the program
- their territory was re-numbered (e.g., as a result of sales force realignment)
- they changed sales forces during the year due to transfers and promotions
- they are in a Job Share or Flexible Work assignment
- they maintain a Performance Excellence rating of AE or better, and have an appropriate performance standing during the program year, up to and including the All Star trip
- Regional Managers only: Individuals must be actively employed as a PPD Regional Manager by April 1 of the All Star year to be eligible

**Note:** Unless specified otherwise, all members of the sales force are eligible to participate in the All Star program based on a relative points ranking of their trimester bonus earnings. Please refer to your sales force plan for specific performance criteria.

Individuals are not eligible for the All Star Program, if

- they are on written probation or suspended without pay for any part of the program year.
- they receive a Performance Excellence rating of PA or NA during the program year or up to the time the All Star trip is taken.
- they are not actively employed, or on active payroll, or not in good standing, as determined by their management and Human Resources, through the last day of the program, up to and including the All Star trip or fail to meet the eligibility criteria set out in Section 3.

#### Provisions and Transfers:

Final All Star ranking is based on the cumulative weighted All Star points earned from each trimester. If you transfer to another territory assignment or sales force during the year, your weighted All Star relative position points from the previous assignment will be used to calculate your weighted ranking in your new assignment in the trimester that the transfer occurs. Management may modify this rule when transfers occur at the Company's request.

## Eligibility

### Page 11 of 17

- If an individual transfers during the year, their transfer dates will be adjusted bridged at the beginning or end of a trimester to comply with eligibility requirements. Management will monitor transfers between territories, during the All Star year to determine final eligibility for the program.
- Individuals who have transferred during the program year will be ranked for All Star purposes based on their field sales territory assignments as of November 1st. Any individual transferring after November 1st is ranked in his/her prior territory assignment. Management will review exceptions to this assignment tenure rule in order to determine eligibility and status for final All Star ranking status.
- Any individual who has transferred during the All Star year may or may not be eligible for National Captain status depending on the length of time served in each sales force assignment, subject to management discretion and review.
- Individuals who transfer between sales positions (i.e. Rep to DM or vice versa) cannot transfer All Star points from their previous position.
- In case of ties, management discretion will determine the winners. Refer to the All Star program description under Recognition Programs for complete eligibility rules.
- Regional Managers (RM) are prorated for time in each RM assignment. In the event that they were in more than one RM assignment within the program year, they are prorated for time in each RM assignment.
- If an individual who has won All Star is unable to attend the All Star trip, they may be eligible for a trip buyout. The trip buyout value is approximately 50% of the trip value and is a gross payout subject to payroll tax withholding.
- Management reserves the right to review and apply appropriate adjustments to the All Star transfer methodology, or change the All Star methodology, for unique situations.

### 5.4 Home Team Award Back to the Top

#### The following special rules apply:

- All individuals in field sales bonus eligible positions, up to and including Regional Managers, are eligible to participate in the Home Team Award program, unless otherwise specified.
- A Home Team event includes members of the sales team only, plus one guest at least 21 years of age per team member. Managers are not allowed to invite guests outside of the sales team (i.e. Marketing, MSO, Finance, Administrative Support, etc.)
- Home Team event time parameters are from 5p.m. Friday through Sunday evening
- Individuals who cannot attend a Home Team event for any reason forfeit
- Only current members of a winning sales team attend the Home Team event.
- Individuals who were a member of a winning Home Team who subsequently transfer to a different sales team before the Home Team event is taken forfeit, unless their new sales team earned a Home Team award. Only current members of a winning sales team attend the Home Team event.

Individuals must meet all standard eligibility requirements, including those set out in Section 3, in order to remain eligible to participate in PPD's sales incentive and recognition programs. Individuals must be actively employed, or on active payroll, on the event date, as determined by PPD, or will not be eligible for and will not have earned the above-referenced program.

### 6. Recognition Programs - All Star General Criteria and Awards Back to the Top

#### 6.1 General Criteria Back to the Top

The All Star program recognizes the top 10% of the eligible sales force whose individual achievement consistently places them among the top performers in their sales force during the All Star year. The number of All Star winners is based on the top 10% of approved headcount in each area or sales force. The top performer within each sales force (top Representative and top District Manager) will be recognized as the All Star Captain for that sales force unless noted otherwise.

For most sales forces, key measurements used are sales-versus-quota results and performance to goal metrics. Performance Goal (Impact Goal) achievement may be a factor used in identifying top performers. Refer to the trimester bonus plans for your sales force in order to see how the various plan

## Eligibility

components are weighted and measured.

All Star selection and ranking criteria specific to your sales force is published separately. Performance Excellence ratings will be taken into consideration when determining All Star winners. Eligibility requirements, which must be satisfied in order to qualify for the All Star program, are outlined in Sections 3 and 5.3. Individuals must be actively employed, or on active payroll, on the payment date, as determined by PPD, or will not be eligible for and will not have earned the above-referenced program.

#### 6.2 All Star Recognition Awards: Back to the Top

**Gold Level: The Top 5%** receive the following recognition:

- Invitation with guest to attend the All Star Trip
- All Star Commemorative Plaque
- All Star Ring
- Recognition in Annual Sales Recognition Book

**Silver Level: The Next 5%** receive the following recognition:

- \$1,000 Net Cash Award
- All Star Commemorative Plaque
- Recognition in Annual Sales Recognition Book

**National All Star Captain:**

- \$2,000 Net Cash Award
- All Star Ring with Captain Distinction
- Invitation with guest to attend the All Star Trip
- All Star Commemorative Plaque and recognition in Annual Sales Recognition Book

**Platinum Level (Consecutive All Star Gold Winners):**

- All Stars who were members of the ~~previous~~ year's All Star Team (in any PPD Sales Force position) will receive: **\$1,300 net cash premium** for each consecutive year as a Gold All Star.

**Example:**

Consecutive Year as an All Star	Cash Premium
2nd.....	\$1,300
3rd.....	\$2,600
4th.....	\$3,900
Additional years.....	In increments of \$1,300

**Luxury Car Upgrade Eligibility:**

- Individuals who win All Star Gold or the Top 5% (in any eligible PPD Sales Force position) for **four consecutive** years will receive their choice of a luxury car upgrade during their remaining tenure in PPD sales.
- A luxury car upgrade, once achieved, is a career lifetime award until promoted to a Grade 20 or higher field sales management position or transferred to a House Assignment that is not a developmental assignment; if the employee returns to an eligible field sales position they maintain their luxury car upgrade status provided they maintain an AE or higher Performance Excellence rating each subsequent year.
- The following special rules apply:

- Individuals are eligible for the luxury car upgrade if they win **four consecutive** All Star Gold contests as a Rep, as a DM or any combination of consecutive wins as a Rep/DM and/or Other field sales eligible position.

**Example:**

An individual wins All Star Gold in 2001 and 2002 in a rep assignment, wins All Star Gold in 2003 in a MCS assignment and in 2004 wins All Star Gold in a DM assignment. The DM is eligible for the luxury car upgrade with the 2004 All Star win.

- Four consecutive wins are normally defined as four consecutive All Star Gold years unless the consecutive years are interrupted by a developmental assignment to a position that is not All Star eligible; developmental assignments may occur over a two-year period.
- Individuals in a Job Share Assignment (Ref. 5.2) or Flexible Work Arrangement (Ref. 5.1) are eligible to compete for the luxury car upgrade.
- Field sales positions that are grade 20 or above are not eligible to compete for the Luxury Car Program

**Luxury Car Winners**

- Individuals who win as a full time eligible participant and subsequently change to a job share and/or part-time status remain eligible for the luxury car upgrade.
- All Luxury Car winners must receive a Performance Excellence rating of AE or higher each subsequent year to maintain eligibility in the Luxury Car program.
- Individuals who win as a Rep or DM and are subsequently promoted to a field sales position of grade 19 or below in PPD are still eligible to keep the luxury car upgrade.
- Individuals who win as a Rep or DM and are subsequently promoted to a position of grade 20 and above in PPD field sales are *Ineligible* to keep the luxury car upgrade
- Luxury Car Winners who move to a House Assignment that is not a developmental assignment forfeit their luxury car upgrade until they return to an eligible field sales position.

**Luxury Car Upgrade Tax Information:**

Because incentive vehicles are more expensive than standard fleet vehicles, IRS regulations require a higher personal use charge for employees with incentive vehicles. Based on the average value of the incentive vehicle (\$35,000), Corporate Tax has determined the weekly personal use charge should be \$22.75/week, vs. the standard fleet vehicle charge of \$14.50/week. The difference between standard and incentive vehicle personal use charges is \$8.25/week. This amount will be applied to your V2 as imputed income, and grossed-up for tax purposes. Therefore, the change will be virtually transparent to individuals in the luxury car upgrade program.

**Please note:** You should continue to apply the standard personal use charge of \$14.50/week against your expense reports. Additionally, the cents-per-mile fee for the personal use remains at 3.32 cents/mile for both standard AND incentive fleet vehicles.

These rates are subject to change in accordance with Corporate policy.

**7. All Star Ranking Back to the Top****7.1 General Description Back to the Top**

The All Star program recognizes sales force members whose individual achievements demonstrate sales excellence across their entire product portfolio. The trimester base incentive plans are designed to reward accomplishment of specific objectives and goals pertaining to PPD products and their promotional emphasis. For example, more heavily weighted products will have higher bonus potential in a given trimester than less strongly promoted products. For all sales forces, a consistent relative point-based system will be used to determine the All Star winners.

Unless specified otherwise, All Star points will be allocated based on the relative rank of base incentive dollar payout within a sales force geography. Points are calculated on a trimester basis and are prorated for time in territory assignment for the performance period being measured. All Star points are accumulated throughout the All Star year and total cumulative points will determine an individual's final All Star ranking.

All Star selection and ranking criteria specific to your sales force is published separately. Performance Excellence ratings will still be used as an input to determine All Star winners. Eligibility requirements, which must be satisfied in order to qualify for the All Star program, are outlined in Sections 3 and 5.3. Individuals must be actively employed, or on active payroll, on the payment date/event, as determined by PPD, or will not be eligible for and will not have earned the above-referenced program.

### **8. Recognition Programs - Home Team Award Back to the Top**

#### **8.1 General Description Back to the Top**

The Home Team Award program recognizes sales teams (i.e. districts, regions) who have performed in the Top 30% of the year-to-date All Star rankings for their All Star Rank Group. All field sales bonus eligible positions up to, and including Regional Managers, are eligible to participate in the Home Team Award program. Performance will be reviewed annually to determine eligibility for this award.

#### **Timing**

##### **2004 Home Team Award:**

- Trimester 1: January 1 - April 30
- Trimester 2: May 1 - August 31
- Trimester 3: September 1 - December 31

##### **Data Months:**

- Trimester 1: January 2004 - April 2004
- Trimester 2: May 2004 - August 2004
- Trimester 3: September 2004 - December 2004

### **8.2 Performance Criteria Back to the Top**

Performance criteria for the Home Team Award is determined for each sales force by the Sales Incentives team within Sales Operations and will be reviewed annually to determine eligibility for this award.

#### **A Team is defined as:**

- District Team includes the Sales Representatives and their District Manager
- Regional Team includes the District Managers and Regional Manager (see specific criteria below)
- District: A District must rank in the Top 30% of their All Star Rank Group for their sales force for the All Star year which entitles the District Manager to take his/her representatives on a Home Team event the following year.
- Region: Regions are eligible to compete for Home Team based on ranking in the Top 30% of their earnings within their sales force which entitles the Regional Manager to take his/her District Managers on a Home Team event the following year.
- Account Executives may be defined as a distinct team or may be included in a regional team.
- For sales teams where there is no Regional Manager, if the team achieves their Home Team performance goal for the performance year, the Sales Director will host the Home Team event the following year.
- Home Team criteria is determined by the Sales Incentives group within PPD Sales Operations.
- Individuals who were a member of a winning Home Team who subsequently transfer to a different sales team before the Home Team event is taken forfeit, unless their new sales team earned a Home Team award. Only current members of a winning sales team attend the Home Team event.

Eligibility requirements, which must be satisfied in order to qualify for the Home Team Award program, are outlined in Sections 3 and 5.2 and 5.4.

### **8.3 Travel and Eligibility Rules and Guidelines Back to the Top**

## Eligibility

If a team meets achieves the performance criteria outlined in the Home Team Award, the team earns funding on a per team headcount basis toward a team trip/event. Each member of a winning team may invite one guest to accompany them on the team trip/event. The following guidelines and rules regarding travel, lodging and entertainment apply to the Home Team award.

Earned Team Award Level (per Team headcount)	Average Travel Allowance (per couple)	Average Event Allowance (per couple)
\$1,000	\$300	\$700
<b>Other Rules and Guidelines</b>		
<p>1. A Home Team event includes members of the sales team only, plus one guest at least 21 years of age per team member. Managers are not allowed to invite guests outside of the sales team (i.e. Marketing, MSO, Finance, Administrative Support, etc.)</p> <p>2. Individuals who cannot attend a Home Team event for any reason forfeit.</p> <p>3. Only current members of a winning sales team attend the Home Team event.</p> <p>4. Individuals who were a member of a winning Home Team who subsequently transfer to a different sales team before the Home Team event is taken forfeit, unless their current sales team earned a Home Team award.</p> <p>5. Home team award budgets cannot be supplemented with district, regional and / or other funds to enhance the event</p> <p>6. Team event location must be located within the continental United States and approved by the immediate manager of the hosting manager.</p> <p>7. Home Team event time parameters cover the period 5 p.m. Friday through Sunday evening</p> <p>8. All individuals in field sales bonus eligible positions, up to and including Regional Managers, are eligible to participate in the Home Team Award program, unless otherwise specified.</p> <p>9. Individuals who reside more than 4 hours drive time or 250 miles from their headquarter city may be eligible for an additional travel allowance funded incrementally by their Home Team host. Managers may fund the \$250 travel allowance at their discretion. Eligibility for this allowance must be approved by the Sales Incentives Dept..</p>		

**Accounting Rules:**

Starting in calendar year 2006, for Home Teams earned in 2004, there will be a process in place for planning and booking Home Team events as follows:

- Managers will contact the AWOO Global Admin when they are ready to book their Home Team event.
- AWOO Global Admin will establish the Home Team budget.
- Managers are responsible for booking their Home Team event and making arrangements for their team. Manager will contact the AWOO Global Admin and request the amount of total budget to reserve for the Home Team event arrangements. The AWOO Global Admin will issue a one-time use Home Team debit card to the manager which will be used by the manager to pay for the Home Team event arrangements.
- Remaining Home Team budget will be evenly distributed to each eligible employee's WRLDOPP debit card to be used for charging meals, incidentals and activities during the Home Team event for themselves and their guest. The WRLDOPP Global Administrator in Sales Operations will handle the allocation of funds to employees debit cards.
- Under no circumstances should any Home Team expenses be processed through the Abbott Expense Reporting system.

**9. Special Incentive Programs - (SPIFFs - Special Performance Incentives For Field Forces) Back to the Top**  
[https://www.wrldopp.com/eligibility\\_content\\_2004.aspx](https://www.wrldopp.com/eligibility_content_2004.aspx)

## Eligibility

These rules also apply to all SPIFF programs, including the RxTreme and Monster SPIFF programs.

### The following general rules apply:

- a. Each SPIFF program design will include provisions for forfeiture of cash and non-cash awards. As a general rule, a SPIFF payout is forfeited if a territory is vacant or an individual in the winning territory becomes ineligible for the award although exceptions may be warranted. If a SPIFF winner cannot attend an incentive trip, they forfeit.
- b. Individuals will be prorated for time worked in territory, which includes transfers, promotions and new hires. Prizes will be prorated accordingly.
- c. Individuals in the Marketing Development Program (MDPs) are not eligible to compete in the SPIFF program.
- d. Unsatisfactory performance status: Rep/DM/RM or other field sales SPIFF eligible position on probation (including sample accountability probation) or work suspension is not eligible to compete in SPIFF programs.
- e. Leave of Absence (full-time or part-time): LOA is prorated for time out of territory.
- f. Ties: In the event of performance ties, cash awards will be split between the winners unless there is a defined tiebreaker rule in place.
- g. Separations: No payout or award, except retirees may be prorated.
- h. A Rep/DM/RM or other field sales SPIFF eligible position must be an active employee in good standing through the date of award redemption (o quantity).
- i. Management reserves the right to make discretionary decisions affecting payout. Discretionary decisions require documentation including Human Resources and Sales Director signatures of approval.
- j. The special incentive programs (SPIFFs) are independent of other Abbott incentive programs and will not necessarily influence other incentive/award programs.
- k. Abbott Laboratories management reserves the right to modify components of SPIFF incentive programs as necessary.

### Luxury Car Upgrade Tax Information:

Because incentive vehicles are more expensive than standard fleet vehicles, IRS regulations require a higher personal use charge for employees with incentive vehicles. Based on the average value of the incentive vehicle (\$35,000), Corporate Tax has determined the weekly personal use charge should be \$22.75/week, vs. the standard fleet vehicle charge of \$14.50/week. The difference between standard and incentive vehicle personal use charges is \$8.25/week. This amount will be applied to your W2 as imputed income, and grossed-up for tax purposes. Therefore, the charge will be virtually transparent to individuals in the luxury car upgrade program.

**Please note:** You should continue to apply the standard personal use charge of \$14.50/week against your expense reports. Additionally, the cents-per-mile fee for the personal use remains at 8.32 cents/mile for both standard AND incentive fleet vehicles.

These rates are subject to change in accordance with Corporate policy.

### **10. Spot Recognition Awards Back to the Top**

#### **10.1 General Eligibility Requirements Back to the Top**

Sales force members may be periodically recognized by management throughout the year. Awards can vary and may be in the form of cash, debit card deposit, merchandise or travel.

All members of the sales force must be actively employed, or on active payroll, and in good standing as determined by their management and Human Resources, on the payment date in order to be eligible for any spot award payout. Individuals whose employment terminates before any spot award is paid, and/or merchandise awarded, and/or the incentive travel is taken, forfeit all claims to any payment and/or awards for these programs.

#### **10.2 Debit Card Awards Back to the Top**

## Eligibility

Page 17 of 17

In order to earn an award, you must be an active employee or on active payroll at the time the award is approved by management and deposited on your World of Opportunity debit card. If your employment terminates, or you take a personal leave of absence you will have 60 days from the effective date of the action to clear the balance on your World of Opportunity debit card. After 60 days you will forfeit all claims to any remaining balance on your World of Opportunity debit card. The 60-day rule is outlined in the Escheatment Policy located on [www.WRLDOPP.com](http://www.WRLDOPP.com).

Management reserves the right to modify any or all aspects of the debit card award programs. Check the World of Opportunity website at [www.WRLDOPP.com](http://www.WRLDOPP.com) for any updates to the debit card program eligibility.

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Management reserves the right to modify any or all aspects of the 2004 incentive plan and recognition programs.  
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